A0400-1A

The Aluminum Situation

ECONOMICS AND STATISTICS — FEBRUARY 1990

ALUMNIUM EXPORTS REACH RECORD 2.4 BILLION POUNDS

During 1989, total exports of ingot and mill products reached 2,406 million pounds, an increase of 38.8 percent over the previous year. U.S. imports, on the other hand, were reported at 2,983 million pounds, at drop of 7.8 percent for the same period.

Preliminary industry net shipments for the year 1989, reported at 16,030 million pounds, were down 1.7 percent from the previous year total of 16,358 million pounds.

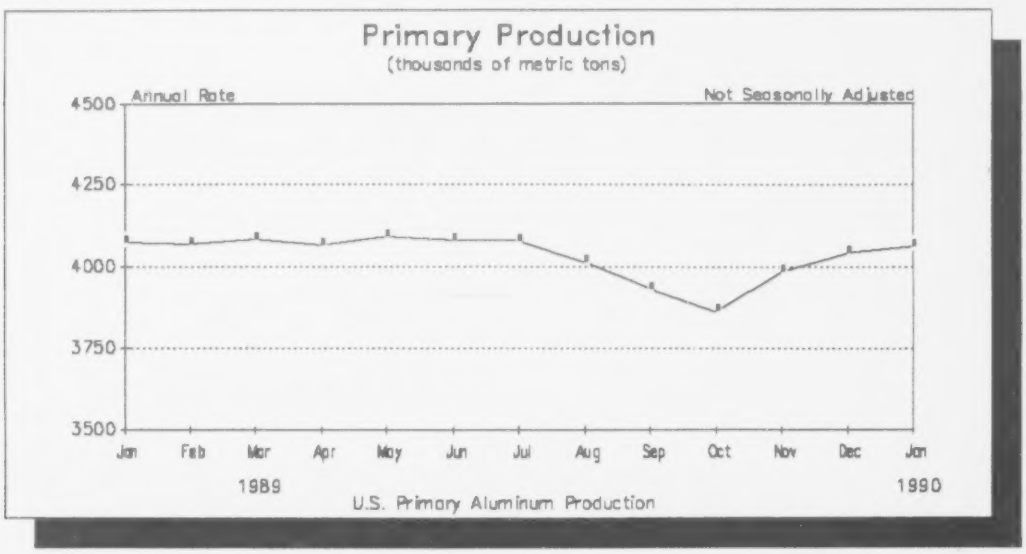
THRU DECEMBER 1989

	1989 12 Mos.	1988 12 Mos.	% Change
Mill Products	12,954	13,177	-1.7
Ingot	3,076	3,181	-3.3
Total	16,030	16,358	-2.0
Less Exports	2,406	1,733	38.9
Domestic Total	13,624	14,625	-6.8

Figures in Millions of Pounds
Source: Bureau of the Census
U.S. Department of Commerce

PRIMARY PRODUCTION DAILY RATE ESTIMATED AT 11,129 METRIC TONS

U.S. primary aluminum production averaged an estimated 11,129 metric tons daily during January 1990. This compares with an average of 11,163 metric tons a day in January 1989 and 11,072 metric tons a day in December 1989. The annual rate of production in January 1990 was 4,062,132 metric tons compared with 4,074,636 metric tons in January 1989 and 4,041,209 metric tons in December 1989. Estimated production in January 1990 was 345,003 metric tons. Total primary production for the year 1989 was revised to 4,030,360 metric tons



This report contains information reported to the Association by the domestic producers, which is aggregated by the Association. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

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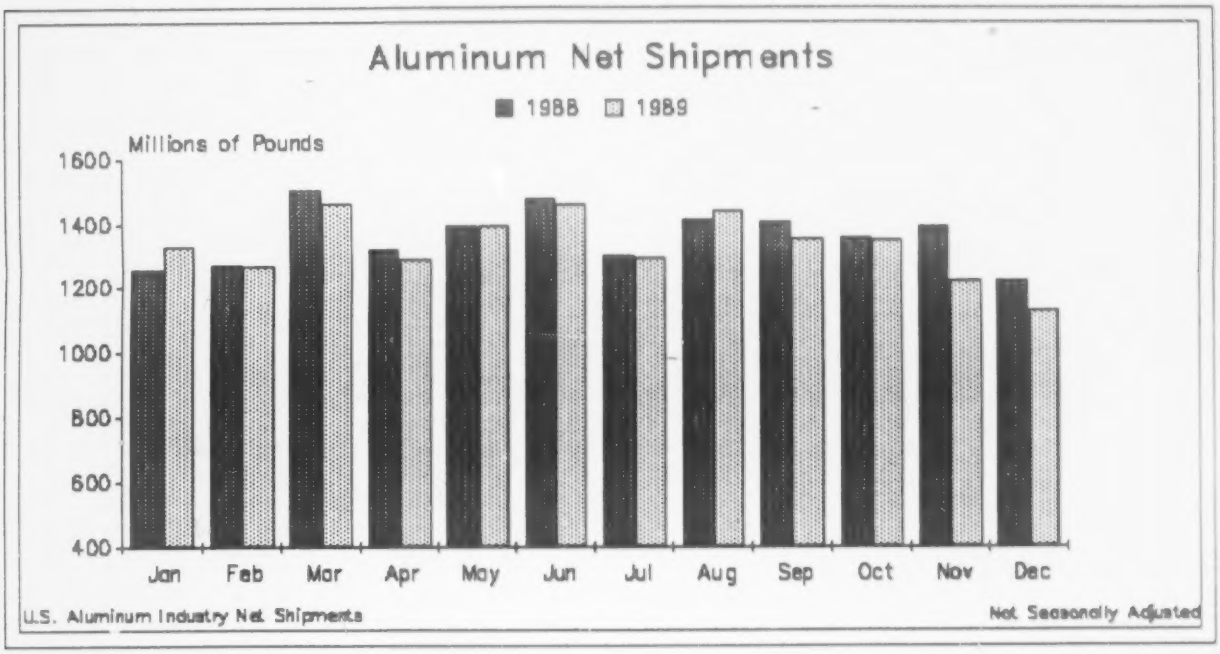
INDUSTRY NET SHIPMENTS DECLINE 1.7 PERCENT

Total industry net shipments for the yaer 1989, reported at 16,030 million pounds, down 1.7 percent from the previous year total of 16,358 million pounds. Domestic shipments of 13,624 million pounds decreased 6.8 percent from the 1988 total of 14,625 million pounds.



NET SHIPMENTS (Millions of Pounds)	1989 December	1988 December	1989 12 Mos.	1988 12 Mos.	% Change 1989 vs 1988
Sheet	499.7	544.0	7,292.1	7,085.5	2.9
Plate	20.0	22.0	310.3	298.0	4.1
Foil	61.0	72.5	887.9	949.5	-6.5
Rod,Bar & Wire	9.1	18.4	244.9	301.0	-18.7
Elec. Conductor	44.3	49.0	671.5	658.1	2.0
Extruded Shapes,Tube	176.5	184.6	2,671.2	2,724.3	-1.9
Powder & Paste	6.7	8.5	93.0	90.3	3.0
Forgings & Impacts	10.8	12.3	157.1	165.9	-5.3
Net Imports of Mill Products (Total) (a)	46.9	66.0	625.7	904.7	-30.8
Total Mill Products	875.1	977.4	12,953.7	13,177.3	-1.7
Ingot	253.0	243.4	3,076.3	3,180.7	-3.3
TOTAL INDUSTRY SHIPMENTS	1,128.1	1,220.7	16,030.0	16,357.9	-2.0
Exports	248.8	191.1	2,406.4	1,732.5	38.9
TOTAL DOMESTIC SHIPMENTS	879.3	1,029.6	13,623.6	14,625.4	-6.8

Source: Bureau of the Census, U.S. Department of Commerce - CIR M33-D
Note: Cummulative data includes revisions for previous periods
(a) Not included in product data above.

NET NEW ORDER RECEIPTS DOWN 12.9 PERCENT

Estimated net new order receipts of aluminum mill products for January 1990, totaling 1,181 million pounds, declined 12.9 percent from a January 1989 total of 1,356 million pounds. Net new order receipts for December 1989 totaled 895 million pounds.

ORDER RECEIPTS (Millions of Pounds)	1990 January	1989 January	% Change 1990 vs 1989
Sheet & Plate, Other	392.9	482.5	-18.6
Can Stock (a)	349.9	395.2	-11.5
Foil	108.4	96.7	12.1
Bar, Rod & Wire	45.3	30.3	49.5
Electrical Conductor	46.1	83.9	-45.1
Extruded Shapes & Tube	214.0	244.1	-12.3
Powder & Paste	13.7	9.6	42.7
Forgings & Impacts	11.1	13.5	-17.8
Total Mill Products	1,181.4	1,355.8	-12.9

Source: The Aluminum Association estimates total industry orders (including orders for imports) based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available on a subscription basis.
Note: Cummulative data includes revisions for previous periods.
(a) Domestic only. Orders for exports of Can Stock are included in Sheet and Plate, Other.

PRODUCER INVENTORIES DOWN 38 MILLION POUNDS

Producer inventories decreased in December 1989 to a reported total of 3,949 million pounds. This represents a 38 million pound decline from the November 1989 level of 3,987 million pounds.

Month-End Aluminum Producer Inventories
(Millions of Pounds)

	Total	Ingot	Scrap	All Other
October	4,174r	1,492r	659r	2,023r
November	3,987r	1,365r	672r	1,951r
December	3,949	1,404	638	1,907

Source: Bureau of the Census, U.S. Department of Commerce.

CUSTOMER INVENTORIES REPORTED AT 34.2 DAYS

Respondents to the Association's Customer Inventory Survey reported that their Average Days Inventory as of December 31, 1989 was 34.2, up 6.5 percent from inventories reported at the end of November 1989.

Month-End Aluminum Customer Inventories
(Average Number of Days)

October	34.3
November	32.1
December	34.2

Source: Aluminum Association - Customer Inventory Position Survey

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U.S. IMPORTS & EXPORTS (Millions of Pounds)		1989* December	1988 December	1989* 12 Mos.	1988 12 Mos.	% Change 1989 vs 1988
Imports	Mill Products	66.1	68.6	942.2	969.9	-2.9
	Ingot	119.4	120.6	2,040.6	2,264.7	-9.9
	Total	185.6	189.2	2,982.8	3,234.6	-7.8
	Scrap (+ dross)	35.4	31.5	490.6	457.1	7.3
	Grand Total	221.0	220.7	3,473.3	3,691.7	-5.9
Exports	Mill Products	72.1	78.0	1,095.8	851.6	28.7
	Ingot	176.7	113.1	1,310.6	882.0	48.6
	Total	248.8	191.1	2,406.4	1,733.5	38.8
	Scrap	111.3	121.9	1,292.3	1,072.8	20.5
	Grand Total	360.1	313.0	3,698.7	2,806.3	31.8
Net Imports		-139.1	-92.2	-225.4	885.4	-125.5

Source: Bureau of the Census, U.S. Department of Commerce.
(*) Data may not be comparable to previous years due to changes in trade classifications effective January 1, 1989